



# State of Utah

## Department of Natural Resources

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas & Mining

JOHN R. BAZA  
Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

#### Representatives Present During the Inspection:

Company David Shaver Manager

OGM Karl Houskeeper Environmental Scientist III

## Inspection Report

Permit Number:	C0150032
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, July 23, 2008
Start Date/Time:	7/23/2008 6:45:00 AM
End Date/Time:	7/23/2008 12:00:00 PM
Last Inspection:	Thursday, June 19, 2008

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 80 Deg. F.

InspectionID Report Number: 1712

*Accepted by: jhelfric*  
7/30/2008

Permittee: **GENWAL RESOURCES INC**

Operator: **GENWAL RESOURCES INC**

Site: **CRANDALL CANYON MINE**

Address: **PO BOX 1077, PRICE UT 84501**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

6,235.80	Total Permitted
10.70	Total Disturbed
	Phase I
	Phase II
	Phase III

#### Mineral Ownership

- ☒ Federal  
☐ State  
☐ County  
☐ Fee  
☐ Other

#### Types of Operations

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Inspector's Signature: \_\_\_\_\_

*Karl R. Houskeeper*

Date

Wednesday, July 23, 2008

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The DOGM permit is effective 05/13/2008 and expires 05/13/2013. Other documents include the following:

- Certificate of Insurance issued 06/01/2008 and terminates 06/01/2009.
- Reclamation agreement is dated April 1998 and is signed by both parties.
- UPDES permit UT000024368 effective 12/01/2005 and expires midnight 11/30/2010.
- Air Quality permit DAQE-AN0225003-03, issued 03/20/2003.
- SPCC Plan dated 09/18/2004.

**2. Signs and Markers**

The Mine ID sign is posted at the entrance to the permit area from the forest service road. The sign contains the name, permit ID #, address, and phone number of the operator. All other signs and markers observed during the inspection met the coal rules.

**3. Topsoil**

Cattle has been moved through the canyon. This action has allowed the cattle to graze on all of the topsoil piles. The vegetation has been severely affected. The piles will be checked in future inspections to see if the vegetation rebounds.

**4.a Hydrologic Balance: Diversions**

The culvert inlet at the oil storage building needs to be cleaned.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The water level in the sediment pond is at the oil skimmer. If the water level in the pond does not begin to drop in the future it will require testing prior to decanting the pond. Allowing for proper storm storage capacity.

**4.d Hydrologic Balance: Water Monitoring**

First quarter 2008 water monitoring information is in the EDI website and has been uploaded. Water monitoring is current.

**4.e Hydrologic Balance: Effluent Limitations**

The Jan, Feb, and March 2008 discharge monitoring reports were reviewed as part of the last complete inspection. The April, May and June 2008 reports were not available for review.

**20. Air Quality Permit**

Approval Order DAQE-827-01 was modified on March 20, 2003. This modification allowed additional coal handling equipment (conveyors) for the South Crandall Portals. The new approval order, DAQE-AN0225003-03, was effective March 20, 2003.

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## Inspection Continuation Sheet

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### **21. Bonding and Insurance**

Insurance is provided through Federal Insurance Co. policy #37104410. The policy meets the minimum coverage requirements, has explosive coverage, contains the proper language in the notification clause, and shows the State of Utah as the certificate holder.

The bonded amount for the Crandall Canyon Mine was \$1,654,000 by bond #14-96-15. With the recent permit renewal an additional \$407,275 has been posted in an escrow account with Wells Fargo Bank. The additional amount is due to escalation and reclamation costs associated with the emergency drill holes that were constructed in efforts to rescue the trapped miners. The total bond amount is \$2,061,275.

## 2007 Annual Report Review

**Permittee:** Genwal Resources, Inc.  
**Mine Name:** Crandall Canyon  
**Permit Number:** C/015/0032  
**Date Report Received:** July 2, 2007

**Assigned Reviewer:** Karl R. Houskeeper

**Date Completed**  
July 14, 2007

**Instructions:** The assigned inspector will review the Annual report during the third quarter complete inspection and provide a written determination (finding) on how the mine has or has not met the permit requirements for reporting. If the report is deficient or remedial action is required to obtain compliance, this should be noted and the mine lead notified. A copy of this review will be filed with the Inspection Report. Should any of the sections require additional technical analysis, the inspector will notify the permit supervisor so that it can be scheduled during the 4<sup>th</sup> quarter.

### SECTIONS TO REVIEW

**SUBMITTED**  
 YES NO NA

### FINDINGS

Cover Sheet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Cover sheet submitted but not filled out. Same form the Division sent to the operator without any information.
General Information	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General information is on the cover sheet. Information was included on the cover sheet before the Division sent it to the permittee.
Identification of other Permits	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Information was included on the cover sheet before the Division sent it to the permittee.
Annual Impoundment Certification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Annual sediment pond inspection was done on 08/13/07 by a registered P.E. in the State of Utah. The certification is signed, Stamped and dated.
Annual Overburden, Spoil, Refuse, Floor, etc. Certified Report	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Annual Technical Requirements (Commitments)				
Climatological	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Precipitation information on a daily basis from 01/03/2007 through 10/31/2007 was submitted in the annual report. There was no information for November or December 2007.
Subsidence	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Subsidence information was submitted in table form showing elevations of the subsidence points for 2003 and 2007. There was no map submitted with the annual report to show the correlation of the points to the underground workings. The information was determined by an aerial survey. The report gives a difference from 2003 to 2007 where applicable. There is information on 2220 data points in the report. Copies of subsidence notifications are also included in the 2007 annual report to four (4) different entities.
Vegetation monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Raptor Survey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Should be reviewed by Division Biologist
Soils Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A report from Peterson Hydrologic, LLC. Is included in the 2007 annual report and should be reviewed by a Hydrologist.
Geological/Geophysical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Engineering	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Non-Coal Waste	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

## 2007 Annual Report Review

Abandoned Underground Equipment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
AVS; Legal/ Financial Update	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Mine Sequence Map	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>A production map for 2007 is included in the annual report. The map has areas highlighted, but no legend is provided to indicate what the highlighted area represents. The scaled of the map is such that the mined areas are not legible even with a magnifying glass. No determination can be made when the areas were mined out. The map did not contain any future projects. The north side has been sealed the south side of the mine remains unsealed but is fenced. The mine is idled following the Crandall disaster. No workings are shown on the map for the south mine.</p>
Other Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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